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BILL ANALYSIS

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Senate Bill 928 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Ron Jelinek
Committee: Appropriations

Date Completed: 5-12-10

CONTENT

Senate Bill 928 (S-1) would provide for supplemental appropriations for fiscal year (FY) 2009-10. Specifically, the bill would provide for \$183.9 million of Gross appropriations for the Departments of Community Health, Energy, Labor, and Economic Growth, Human Services, State Police, and Transportation. The appropriations in the bill are related to Federal funds that have been allocated to Michigan through various provisions of the American Recovery and Reinvestment Act of 2009 (ARRA). The line-item appropriations contained in Senate Bill 928 (S-1) were recommended to the Legislature for approval by the State Budget Office (SBO) on March 18, 2010, April 19, 2010, and April 30, 2010. The Senate substitute did not include \$15.0 million of funding in the Department of Community Health for a statewide health information exchange system that has been recommended by the SBO. The Senate substitute also reduced the Department of Human Services Federal ARRA appropriations for the food assistance program recommended by the SBO on February 11, 2010. The table below provides a summary of the line-item appropriations contained in the bill.

Senate Bill 928 (S-1) FY 2009-10 Supplemental Appropriations (actual dollars)				
Department/Program	SBO Recommendation		Senate Substitute	
	Gross	GF/GP	Gross	GF/GP
Community Health				
Primary Care Health Services	\$194,200	\$0	\$194,200	\$0
Aging Chronic Disease Projects	1,106,500	0	1,106,500	0
Preventive Health Projects	4,050,800	0	4,050,800	0
Statewide Health Information Exchange	14,993,100	0	0	0
Medicare Part B Payments for Low-Income Individ.	11,410,300	0	11,410,300	0
Energy, Labor, and Economic Growth				
Electric Power Workforce Training	4,400,000	0	4,400,000	0
Human Services				
Food Assistance Program	141,867,600	0	60,370,800	0
State Police				
Rural Law Enforcement	6,553,700	0	6,553,700	0
Transportation				
State Trunkline Federal Aid	30,000,000	0	30,000,000	0
Nonprofit Street Railway	25,000,000	0	25,000,000	0
High-Speed Intercity Passenger Rail	40,000,000	0	40,310,300	0
Non-Urban Operating/Capital	524,100	0	524,100	0
Total Supplemental Appropriations	\$280,100,300	\$0	\$183,920,700	\$0

Line-Item Appropriations

Community Health: The bill appropriates \$16.8 million of Federal ARRA funds for four programs. The \$194,200 appropriation for primary care services will help match health care students with medical providers in underserved areas of the State. The \$4.1 million appropriation for preventive health projects will fund a series of initiatives to promote healthy communities. This funding will focus on nutrition education, obesity prevention, and programs to increase physical activity. The \$1.1 million appropriation for aging programs will provide assistance on chronic disease prevention. The \$11.4 million appropriation for Medicare premium payments will help pay for Medicare Part B premiums (outpatient services) for some low-income individuals.

Energy, Labor, and Economic Growth: The bill appropriates \$4.4 million of Federal ARRA funding for electric power workforce training. This funding will allow Michigan community colleges and trade-specific training programs to offer specialized training to meet the future needs for workers in the electric power sector of the State.

Human Services: The bill appropriates \$60.4 million of Federal ARRA funding for food assistance programs. This funding will be used to pay for the increased food assistance that was part of the original ARRA bill.

State Police: The bill appropriates \$6.6 million of Federal ARRA funding to combat rural crime. The funding will be used to provide for the salaries and equipment costs of three new Homeland Security Teams that will assist 37 Michigan rural counties, with populations of less than 50,000, in crime prevention efforts.

Transportation: The bill appropriates \$95.5 million of Federal ARRA funding for four programs. The State Trunkline Fund will receive \$30.0 million of Federal funding for the I-94/I-69 Black River Bridge replacement project in Port Huron. The M-1 light rail project in Detroit will receive \$25.0 million of Federal ARRA funding. A total of \$40.3 million of Federal ARRA high speed rail passenger funding will be used for station renovations in Troy and Jackson and the construction of a new passenger rail facility in Dearborn. The final appropriation of \$524,100 of Federal ARRA funding will be allocated to various small cities across the State for transit equipment purchases and facility renovations.

Boilerplate Language Sections

Sec. 201: Reports on total State spending and payments to local units of government in the bill.

Sec. 202: Subjects the appropriations in the bill to provisions of the Management and Budget Act.

Sec. 203: Specifies that the appropriations in the bill financed by Federal ARRA funds are temporary in nature.

Sec. 210: Permits the appropriation of any additional Federal funds awarded to the State due to recalculation of formulas and under redistribution provisions in ARRA and requires a report to the Legislature on any such appropriation.

Sec. 211: Establishes work project status for any such funds appropriated in the bill that are not spent during the fiscal year.

Sec. 212: Requires that local governments and eligible subrecipients receiving ARRA funds comply with all of the reporting and expenditure requirements of ARRA.

FISCAL IMPACT

Senate Bill 928 (S-1) would make \$183.9 million of Gross appropriations for FY 2009-10. The appropriations are financed by \$183.9 million of Federal ARRA funding.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.